

ALEX SHNAIDER - 09/15/2017

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<p style="text-align: right;">Page 98</p> <p>1 ALEX SHNAIDER</p> <p>2 Mr. Slinin?</p> <p>3 A. Yes.</p> <p>4 Q. And in fact some of those</p> <p>5 buyers did make those down payments</p> <p>6 with a premium that was split between</p> <p>7 you and Mr. Slinin?</p> <p>8 MS. DYER: Can I hear that</p> <p>9 back?</p> <p>10 (The requested portion was</p> <p>11 read.)</p> <p>12 A. Mr. Slinin got whatever we</p> <p>13 agreed in terms of commission.</p> <p>14 Q. Do you know an attorney by</p> <p>15 the name of Marashal?</p> <p>16 A. Yes, I do.</p> <p>17 Q. And does he do work for you</p> <p>18 and your companies?</p> <p>19 A. We, yes, we use that law</p> <p>20 firm, yes.</p> <p>21 Q. And he is located in Europe;</p> <p>22 is that correct?</p> <p>23 A. That is correct.</p> <p>24 Q. In Switzerland?</p> <p>25 A. Yes, that is correct.</p>	<p style="text-align: right;">Page 100</p> <p>1 ALEX SHNAIDER</p> <p>2 Mr. Slinin or vice versa. I'm not</p> <p>3 aware of that.</p> <p>4 Q. Did there come a time when</p> <p>5 you were made aware of the fact that</p> <p>6 one or more of Mr. Slinin's prospective</p> <p>7 purchasers would not be able to perform</p> <p>8 under the terms of their contracts?</p> <p>9 MS. DYER: Objection to</p> <p>10 the form.</p> <p>11 A. Yes.</p> <p>12 Q. Can you tell me when was it</p> <p>13 for the first time that you learned of</p> <p>14 that?</p> <p>15 A. I don't remember the date</p> <p>16 exactly.</p> <p>17 Q. Can you tell me what was it</p> <p>18 that you were told and by whom?</p> <p>19 A. I was told by Mr. Slinin</p> <p>20 that he is having some problems with</p> <p>21 his buyers.</p> <p>22 Q. And do you recall with</p> <p>23 respect to these contracts how many</p> <p>24 buyers, individual buyers there were?</p> <p>25 A. In the beginning I</p>
<p style="text-align: right;">Page 99</p> <p>1 ALEX SHNAIDER</p> <p>2 Q. Do you know what, if any,</p> <p>3 work he did with respect to any of the</p> <p>4 contracts -- do you know whether he did</p> <p>5 any work with respect of the contracts</p> <p>6 in this case?</p> <p>7 A. Yes, he did.</p> <p>8 Q. And can you --</p> <p>9 A. I don't recall which exactly</p> <p>10 work but I know he set up the SPVs.</p> <p>11 Q. So there came a time --</p> <p>12 A. I would like to add</p> <p>13 something if possible. Also Mr. Slinin</p> <p>14 used Mr. Marashal.</p> <p>15 Q. For the establishment of</p> <p>16 these --</p> <p>17 A. For the establishment of his</p> <p>18 companies perhaps. I don't know.</p> <p>19 Q. And do you know if he had a</p> <p>20 relationship with Mr. Marashal before</p> <p>21 meeting you or you suggested that</p> <p>22 Mr. Marashal might be able to help him</p> <p>23 in setting up these SPVs?</p> <p>24 A. Well, I don't remember. I</p> <p>25 don't know if Mr. Marashal knew</p>	<p style="text-align: right;">Page 101</p> <p>1 ALEX SHNAIDER</p> <p>2 understood there were two buyers.</p> <p>3 Q. And do you recall what their</p> <p>4 names were?</p> <p>5 A. One of them is Mr. Perumov</p> <p>6 and the second one, I don't remember</p> <p>7 something Sheik --</p> <p>8 Q. Sheikhametov?</p> <p>9 A. Possibly, I don't know these</p> <p>10 buyers.</p> <p>11 Q. Do you know whether or not</p> <p>12 these buyers initially sought to</p> <p>13 purchase one plane or more than one</p> <p>14 plane?</p> <p>15 A. I don't know. I was not</p> <p>16 privy to any discussions Mr. Slinin had</p> <p>17 with these buyers.</p> <p>18 Q. But there came a point in</p> <p>19 time, did there not when CL 850 or CAC</p> <p>20 entered into contracts with Bombardier</p> <p>21 for the purchase of airplanes that were</p> <p>22 intended to be delivered to either</p> <p>23 these individuals individually or to</p> <p>24 SPVs that they had established; is that</p> <p>25 accurate?</p>

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<p style="text-align: right;">Page 102</p> <p>1 ALEX SHNAIDER</p> <p>2 MS. DYER: Objection to</p> <p>3 the form. You could answer.</p> <p>4 A. Yes.</p> <p>5 Q. So you were aware of that</p> <p>6 fact?</p> <p>7 A. Yes.</p> <p>8 Q. And so do you know how many</p> <p>9 planes Mr. Sheikhametov had intended to</p> <p>10 purchase?</p> <p>11 A. Originally or factually?</p> <p>12 Q. Let's start with originally.</p> <p>13 A. Originally I don't know,</p> <p>14 factually I understand he bought two</p> <p>15 aircraft.</p> <p>16 Q. What about Mr. Perumov?</p> <p>17 A. He bought the rest.</p> <p>18 Q. And the rest would be how</p> <p>19 many, do you recall?</p> <p>20 A. Four Challengers and one</p> <p>21 XRS.</p> <p>22 Q. And Mr. Sheikhametov his two</p> <p>23 planes?</p> <p>24 A. Two Challengers.</p> <p>25 Q. Do you know if any of the</p>	<p style="text-align: right;">Page 104</p> <p>1 ALEX SHNAIDER</p> <p>2 A. Exactly not but also</p> <p>3 sometime in 2008.</p> <p>4 Q. So what actions, if any, did</p> <p>5 you undertake once you learned that</p> <p>6 these, we will call them since you said</p> <p>7 you could not differentiate, the six</p> <p>8 contracts, I'm sorry seven contracts</p> <p>9 right, two 850s for Mr. Sheikhametov,</p> <p>10 four 850s and an XRS for Mr. Perumov.</p> <p>11 So what, if any, actions did you</p> <p>12 take with respect to or when you</p> <p>13 learned that these contracts were not</p> <p>14 going to be funded?</p> <p>15 MS. DYER: Objection to</p> <p>16 the form.</p> <p>17 A. I don't recall taking any</p> <p>18 action because Mr. Slinin was supposed</p> <p>19 to work on it. I had no contact with</p> <p>20 these buyers. There is no action I</p> <p>21 could have taken.</p> <p>22 Q. Did there come a time when</p> <p>23 Mr. Slinin told you these buyers were</p> <p>24 not going to be able to or would not --</p> <p>25 withdrawn.</p>
<p style="text-align: right;">Page 103</p> <p>1 ALEX SHNAIDER</p> <p>2 two planes or either of the two planes</p> <p>3 that were to be delivered to</p> <p>4 Mr. Sheikhametov were actually</p> <p>5 delivered to him or to an SPV that he</p> <p>6 had established?</p> <p>7 A. None of the planes were</p> <p>8 delivered.</p> <p>9 Q. And when did you learn that,</p> <p>10 let's start with Mr. Sheikhametov and</p> <p>11 his contracts, when were you made aware</p> <p>12 of the fact that he was not going to be</p> <p>13 able to perform under his contracts?</p> <p>14 A. I don't remember. Sometime</p> <p>15 in 2008 but I don't remember the dates</p> <p>16 or the circumstances because I never</p> <p>17 knew these buyers. So for me it made</p> <p>18 no -- I could not differentiate one</p> <p>19 contract against the other.</p> <p>20 Q. And would that be true of</p> <p>21 Mr. Perumov as well?</p> <p>22 A. That is correct.</p> <p>23 Q. Do you know when you were</p> <p>24 made aware of the fact that he would</p> <p>25 not perform under his contracts?</p>	<p style="text-align: right;">Page 105</p> <p>1 ALEX SHNAIDER</p> <p>2 Did there come a time when he</p> <p>3 told you in sum and substance that</p> <p>4 these people were not going to perform?</p> <p>5 A. He told me that these people</p> <p>6 are not going to perform or he believes</p> <p>7 they are not going to perform and he is</p> <p>8 working with them to see if there is</p> <p>9 some solutions that could be found.</p> <p>10 And I told him if they don't</p> <p>11 perform, they would be losing their</p> <p>12 deposits.</p> <p>13 Q. Do you know if any of the</p> <p>14 deposits that had been paid on any of</p> <p>15 these contracts were paid by Mr. Slinin</p> <p>16 or an entity that he controlled?</p> <p>17 MS. DYER: Objection to</p> <p>18 the form. What contracts?</p> <p>19 Q. We are talking about the</p> <p>20 seven contracts that you mentioned two</p> <p>21 to Mr. Sheikhametov and the five to</p> <p>22 Perumov.</p> <p>23 I am asking if you know if any</p> <p>24 of the deposits on any of the contracts</p> <p>25 had actually been paid by Mr. Slinin?</p>

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<p>1 ALEX SHNAIDER</p> <p>2 A. When?</p> <p>3 Q. At any time.</p> <p>4 A. I was not aware when these</p> <p>5 deposits were paid, that any of this</p> <p>6 money was Mr. Slinin's money. He</p> <p>7 didn't tell me if it was or it wasn't.</p> <p>8 In the beginning, later it was a</p> <p>9 different story.</p> <p>10 Q. Tell me what the different</p> <p>11 story was if you would, please.</p> <p>12 A. Later Mr. Slinin told me</p> <p>13 that he would be somehow in partnership</p> <p>14 with those buyers and he will get some</p> <p>15 profit share when those planes would be</p> <p>16 flipped at a profit to the next buyer,</p> <p>17 to the end buyer I would imagine.</p> <p>18 Q. Do you recall approximately</p> <p>19 when he let you know that?</p> <p>20 A. Shortly after the initial</p> <p>21 deposits were paid.</p> <p>22 Q. Okay. So what was your</p> <p>23 understanding -- withdrawn.</p> <p>24 In each instance with respect to</p> <p>25 those seven planes, either CL 850 or</p>	<p>1 ALEX SHNAIDER</p> <p>2 Q. Well yes, I'm saying you</p> <p>3 knew that were contracts out for these</p> <p>4 gentlemen to buy seven planes and there</p> <p>5 were contracts that had been entered</p> <p>6 into with Bombardier to manufacture</p> <p>7 these planes?</p> <p>8 A. That is right.</p> <p>9 Q. So if these buyers had</p> <p>10 defaulted, what was the penalty that</p> <p>11 CAC or CL 850 was going to suffer with</p> <p>12 Bombardier if they didn't come up with</p> <p>13 the rest of the down payments?</p> <p>14 MS. DYER: Objection to</p> <p>15 the form.</p> <p>16 A. I would be on the hoop for</p> <p>17 the liquidated damages.</p> <p>18 Q. And what did you understand</p> <p>19 the liquidated damages would be?</p> <p>20 A. That is what I'm trying to</p> <p>21 see right now.</p> <p>22 Q. Okay. Let's see if we could</p> <p>23 find it.</p> <p>24 A. Maybe if somebody can point</p> <p>25 it out.</p>
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<p>1 ALEX SHNAIDER</p> <p>2 CAC had entered into a contract with</p> <p>3 Bombardier for the purchase of one of</p> <p>4 those, of those seven planes, please?</p> <p>5 A. Could you repeat that.</p> <p>6 Q. Sure.</p> <p>7 You said there were seven</p> <p>8 contracts that you were aware of?</p> <p>9 A. Right.</p> <p>10 Q. Two CL 850s for</p> <p>11 Mr. Sheikhametov and four 850s and an</p> <p>12 XRS for Mr. Perumov. And that they had</p> <p>13 contracted with Challenger -- I'm sorry</p> <p>14 with CL 850 or CAC and an SPV for</p> <p>15 delivery of an airplane and would it be</p> <p>16 correct to state that either 850 or CAC</p> <p>17 had contracted with Bombardier for the</p> <p>18 manufacturer of one of those planes for</p> <p>19 ultimate delivery to that SPV.</p> <p>20 A. I understand that every</p> <p>21 purchase contract had a sales contract</p> <p>22 which was in front, I would imagine.</p> <p>23 Q. Right.</p> <p>24 A. So I don't know if this is</p> <p>25 answering your question.</p>	<p>1 ALEX SHNAIDER</p> <p>2 MS. DYER: Mr. Lebowitz,</p> <p>3 is your question specifically</p> <p>4 with regard to --</p> <p>5 MR. LEBOWITZ: Let's look</p> <p>6 at Exhibit 2.</p> <p>7 MS. DYER: Lee Exhibit 2?</p> <p>8 MR. LEBOWITZ: That is</p> <p>9 correct.</p> <p>10 Q. Let me direct your attention</p> <p>11 to section 9.5 of this contract on</p> <p>12 page five.</p> <p>13 A. Yes, I see that. So I</p> <p>14 believe it is \$2.3 million. So I would</p> <p>15 be responsible for \$300,000 on this</p> <p>16 contract.</p> <p>17 Q. Do you know if that's a</p> <p>18 similar clause in each of the</p> <p>19 contracts?</p> <p>20 MS. DYER: Objection to</p> <p>21 the form.</p> <p>22 Q. That were entered into</p> <p>23 between --</p> <p>24 A. I would assume, I would</p> <p>25 assume it is.</p>

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<p>1 ALEX SHNAIDER</p> <p>2 never used that term.</p> <p>3 MR. LEBOWITZ: I am trying</p> <p>4 to help and you were courtesy to</p> <p>5 me during --</p> <p>6 MS. DYER: I certainly</p> <p>7 never used that term. But for</p> <p>8 the record, let's see if we can't</p> <p>9 perhaps ask about the contracts</p> <p>10 that have the same amount of</p> <p>11 liquidated damages but then note</p> <p>12 that there are some contracts</p> <p>13 that have a different amount of</p> <p>14 liquidated damages. And that</p> <p>15 might be the way to expedite it.</p> <p>16 I am not asking you to go</p> <p>17 through each contract that has</p> <p>18 the exact amount of 2.3 million</p> <p>19 in liquidated damages.</p> <p>20 I am concerned that there</p> <p>21 are contracts that we are talking</p> <p>22 about and we have been discussing</p> <p>23 this morning that have a</p> <p>24 different liquidated damages</p> <p>25 amount and that is all.</p>	<p>1 ALEX SHNAIDER</p> <p>2 the liquidated damages?</p> <p>3 A. Yes.</p> <p>4 Q. Okay, so you spoke to</p> <p>5 Mr. Slinin about this?</p> <p>6 A. Yes, I mentioned to him.</p> <p>7 Q. And did you, when you</p> <p>8 mentioned it to him, did you indicate</p> <p>9 to him that you would seek any</p> <p>10 contribution from him if 850 or CAC</p> <p>11 were required to pay liquidated</p> <p>12 damages?</p> <p>13 A. I don't know if we went that</p> <p>14 far in our discussions. I just told</p> <p>15 him, the discussions came in the</p> <p>16 context when Mr. Slinin told me his</p> <p>17 buyers one or both at a certain time</p> <p>18 wanted their deposits refunded and I</p> <p>19 said it is impossible to refund their</p> <p>20 deposits, these deposits are non</p> <p>21 refundable. And as a matter of fact,</p> <p>22 I'm going to be liable for the</p> <p>23 difference between the deposits that</p> <p>24 were paid and the liquidated damages.</p> <p>25 So please find a solution with your</p>
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<p>1 ALEX SHNAIDER</p> <p>2 You could group the ones</p> <p>3 together that have the same</p> <p>4 amount and I won't object.</p> <p>5 MR. LEBOWITZ: Okay, let's</p> <p>6 see if we could do that.</p> <p>7 Q. Is it your understanding</p> <p>8 that each of the contracts that were</p> <p>9 entered into for the purchase of a CL</p> <p>10 850 executive jet had a liquidated</p> <p>11 damage provision of \$2.3 million?</p> <p>12 A. The Challenger 850s I would</p> <p>13 assume it is all the same but the</p> <p>14 purchase prices were different. So</p> <p>15 there may be a little bit of a</p> <p>16 difference but I'm not sure.</p> <p>17 Some were brought I see here for</p> <p>18 25 million, others were bought probably</p> <p>19 for a little bit less. So I don't know</p> <p>20 if it was the same liquidated damages</p> <p>21 but each one had liquidated damages.</p> <p>22 Q. And in respect of the</p> <p>23 liquidated damages, it was your</p> <p>24 understanding that either CL 850 or CAC</p> <p>25 would be responsible for the payment of</p>	<p>1 ALEX SHNAIDER</p> <p>2 buyers.</p> <p>3 Q. What did he say to you when</p> <p>4 you advised him of these facts?</p> <p>5 A. He didn't say anything. He</p> <p>6 went to work with his buyers and I am</p> <p>7 not privy to discussions with his</p> <p>8 buyers.</p> <p>9 Q. The goal was to either</p> <p>10 fulfill the contracts or obviate the</p> <p>11 liquidated damage provisions?</p> <p>12 A. Obviously, yes.</p> <p>13 Q. Did he come back to you at</p> <p>14 some point and indicate to you whether</p> <p>15 he was able to do anything with respect</p> <p>16 to working with his buyers?</p> <p>17 MS. DYER: Objection to</p> <p>18 the form. Answer if you like.</p> <p>19 A. I don't recall. There were</p> <p>20 many phone conversations but I</p> <p>21 understood he is having a real</p> <p>22 challenge in convincing his buyers to</p> <p>23 move forward.</p> <p>24 Q. Did there come a point in</p> <p>25 time when you and he spoke and it was</p>

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<p style="text-align: right;">Page 118</p> <p>1 ALEX SHNAIDER</p> <p>2 determined he was not going to be able</p> <p>3 to move his buyers to fulfill these</p> <p>4 contracts?</p> <p>5 A. Yes.</p> <p>6 Q. And do you recall when that</p> <p>7 was approximately?</p> <p>8 A. Sometime between the middle</p> <p>9 of 2008 and the end of 2008.</p> <p>10 Q. And what if any action did</p> <p>11 you then take to address that</p> <p>12 particular dilemma?</p> <p>13 A. I didn't take any action. I</p> <p>14 didn't feel I could do anything at that</p> <p>15 point.</p> <p>16 Q. Did there come a time or a</p> <p>17 point in time when you approached</p> <p>18 Bombardier regarding these contracts</p> <p>19 and your company's or CAC and 850's</p> <p>20 inability to fulfill these contracts?</p> <p>21 A. Yes, of course. When it was</p> <p>22 time to make the second tranche</p> <p>23 payments and we were not making these</p> <p>24 second payments.</p> <p>25 Q. And who is the person with</p>	<p style="text-align: right;">Page 120</p> <p>1 ALEX SHNAIDER</p> <p>2 read.)</p> <p>3 MS. DYER: Objection to</p> <p>4 the form.</p> <p>5 A. Mr. Slinin asked me if I</p> <p>6 could do something with Bombardier and</p> <p>7 I told him that I don't know if I would</p> <p>8 be able to do anything with Bombardier</p> <p>9 but this is already going into 2009.</p> <p>10 But in 2008 there was a lot of other</p> <p>11 things that took place before the end</p> <p>12 of 2008.</p> <p>13 Q. Okay.</p> <p>14 This is between yourself and</p> <p>15 Mr. Slinin as it related to these</p> <p>16 contracts?</p> <p>17 A. Yes, it was between me and</p> <p>18 Mr. Slinin. Mr. Slinin there was an</p> <p>19 investigation that started in Russia</p> <p>20 initiated by Mr. Perumov that named me</p> <p>21 as one of the people that were involved</p> <p>22 in defrauding Mr. Perumov of his</p> <p>23 deposits. That happened in 2008 and</p> <p>24 also Mr. Slinin felt that he must</p> <p>25 refund to Mr. Sheikhametov his deposit</p>
<p style="text-align: right;">Page 119</p> <p>1 ALEX SHNAIDER</p> <p>2 whom you spoke at Bombardier?</p> <p>3 A. I spoke to George Rependa.</p> <p>4 He was not at Bombardier at the time</p> <p>5 and I spoke to Peter Lacoure.</p> <p>6 Q. Peter Lacoure was he an</p> <p>7 executive at Bombardier at the time?</p> <p>8 A. Yes, he was.</p> <p>9 Q. Do you know what position he</p> <p>10 held?</p> <p>11 A. I don't remember.</p> <p>12 Q. Is Mr. Lacoure someone</p> <p>13 Mr. Rependa put you in contact with?</p> <p>14 A. I knew Mr. Lacoure from</p> <p>15 before.</p> <p>16 Q. From prior dealings?</p> <p>17 A. Yes.</p> <p>18 Q. Had you advised Mr. Slinin</p> <p>19 that you were going to Bombardier and</p> <p>20 see if you could come to some kind of</p> <p>21 deal with them regarding these seven</p> <p>22 contracts?</p> <p>23 MS. DYER: Please read that</p> <p>24 back.</p> <p>25 (The requested portion was</p>	<p style="text-align: right;">Page 121</p> <p>1 ALEX SHNAIDER</p> <p>2 and he asked me for a loan of \$4</p> <p>3 million, which I have provided him.</p> <p>4 Q. Well, let's first talk</p> <p>5 about, let's address what you testified</p> <p>6 in the chronological order in which you</p> <p>7 mentioned.</p> <p>8 Let's first start with this</p> <p>9 criminal investigation you said took</p> <p>10 place in Russia.</p> <p>11 A. Uh-huh.</p> <p>12 Q. How did you first learn of</p> <p>13 this investigation?</p> <p>14 A. From Mr. Slinin.</p> <p>15 Q. And what did he tell you</p> <p>16 with respect to the investigation?</p> <p>17 A. He told me that Mr. Perumov</p> <p>18 started an action against myself and</p> <p>19 himself in Russia. That Mr. Perumov</p> <p>20 was allegedly defrauded of millions of</p> <p>21 dollars by Mr. Slinin and Mr. Shnaider</p> <p>22 and he wants his plane -- his deposits</p> <p>23 back.</p> <p>24 Q. What was the ultimate --</p> <p>25 withdrawn.</p>

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<p>1 ALEX SHNAIDER</p> <p>2 Q. I'm sorry Mr. Slinin told</p> <p>3 you that he was going to purchase one</p> <p>4 of the contracts?</p> <p>5 MS. DYER: Objection to</p> <p>6 the form.</p> <p>7 A. At some point Mr. Slinin</p> <p>8 told me that he is planing to take over</p> <p>9 one of the positions.</p> <p>10 Q. With respect to that</p> <p>11 position, did you ever tell him that</p> <p>12 you had a buyer for that position?</p> <p>13 A. Not exactly at that time but</p> <p>14 later on I told Mr. Slinin that I may</p> <p>15 have somebody that would buy the</p> <p>16 position from him.</p> <p>17 Q. Do you recall what contract</p> <p>18 number it was that --</p> <p>19 A. I believe it is that Blue</p> <p>20 Industrial Sky.</p> <p>21 Q. And if I said to you that --</p> <p>22 A. 169.</p> <p>23 Q. 169 exactly, exactly.</p> <p>24 And did there come a point in</p> <p>25 time when you introduced a prospective</p>	<p>1 ALEX SHNAIDER</p> <p>2 backed out and forfeited his deposit.</p> <p>3 Q. At that point had contract</p> <p>4 169 been assigned to Blue Skies, Mr.</p> <p>5 Slinin's company?</p> <p>6 A. I am not sure of the</p> <p>7 mechanics of when contracts were</p> <p>8 assigned.</p> <p>9 Q. Did there come a time that</p> <p>10 you asked Mr. Slinin to effectively</p> <p>11 give you the contract so that the</p> <p>12 deposits paid under it could be</p> <p>13 combined with other contract deposits</p> <p>14 into one Bombardier contract?</p> <p>15 MS. DYER: Objection to</p> <p>16 the form.</p> <p>17 A. It didn't occur in this</p> <p>18 particular order. Mr. Slinin gave me</p> <p>19 the rights as collateral for this</p> <p>20 aircraft, for contract 169 and another</p> <p>21 two Challenger 850 aircraft. I don't</p> <p>22 remember the contract numbers that was</p> <p>23 Mr. Sheikhametov. I am not sure if I'm</p> <p>24 pronouncing that correctly. Those</p> <p>25 contracts, he gave me those positions.</p>
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<p>1 ALEX SHNAIDER</p> <p>2 purchaser for that contract to</p> <p>3 Mr. Slinin?</p> <p>4 A. Yes.</p> <p>5 Q. What was that individual's</p> <p>6 name?</p> <p>7 A. Evgeni Vassliev.</p> <p>8 Q. In fact did Mr. Vassliev</p> <p>9 make a payment on account of that</p> <p>10 claim?</p> <p>11 MS. DYER: Objection to</p> <p>12 the form.</p> <p>13 A. As far as I remember</p> <p>14 Mr. Vassliev paid Mr. Slinin \$2 million</p> <p>15 as the initial deposit.</p> <p>16 Q. Did you receive any money</p> <p>17 from that transaction?</p> <p>18 A. No, I didn't.</p> <p>19 Q. And is it correct that --</p> <p>20 withdrawn.</p> <p>21 Do you know whether or not</p> <p>22 Mr. Vassliev ever took possession of</p> <p>23 the airplane under contract 169?</p> <p>24 A. No, Mr. Vassliev did not</p> <p>25 proceed with the transaction. He</p>	<p>1 ALEX SHNAIDER</p> <p>2 deposits of \$5 million in total as</p> <p>3 collateral for the \$4 million loan that</p> <p>4 I gave him.</p> <p>5 Q. What was the purpose of this</p> <p>6 \$4 million loan that you gave him?</p> <p>7 A. The purpose of this was that</p> <p>8 he needed to refund to Mr. Sheikhametov</p> <p>9 the money he gave.</p> <p>10 Q. Under two contracts;</p> <p>11 correct?</p> <p>12 MS. DYER: Objection to</p> <p>13 the form.</p> <p>14 A. Under two contracts, yes.</p> <p>15 Q. And do you recall which two</p> <p>16 contracts those were?</p> <p>17 A. No, I don't.</p> <p>18 Q. Were those two contracts</p> <p>19 ultimately combined with other</p> <p>20 contracts by you so that there were</p> <p>21 then two contracts that remain with</p> <p>22 Bombardier?</p> <p>23 MS. DYER: Objection to</p> <p>24 the form.</p> <p>25 A. Those three contracts, yes,</p>

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<p>1 ALEX SHNAIDER</p> <p>2 they were combined part of an agreement</p> <p>3 that I came with -- that I came to with</p> <p>4 Bombardier some time in 2009.</p> <p>5 Q. So can you tell me when was</p> <p>6 it that Mr. Slinin came to you and</p> <p>7 asked you to borrow this money?</p> <p>8 A. The \$4 million he came and</p> <p>9 he asked me this in December 2008 just</p> <p>10 before Christmas.</p> <p>11 Q. And who were the parties to</p> <p>12 the -- withdrawn.</p> <p>13 Which entity or entity of yours</p> <p>14 actually advanced the funds?</p> <p>15 A. I don't recall. Midland</p> <p>16 possibly but we should have the</p> <p>17 promissory note and the loan agreement.</p> <p>18 Q. Who negotiated the terms of</p> <p>19 the note and the loan?</p> <p>20 A. You mean the interest rate?</p> <p>21 Q. I mean --</p> <p>22 A. The interest rate was</p> <p>23 negotiated between me and Mr. Slinin</p> <p>24 and the collateral was also negotiated</p> <p>25 between me and Mr. Slinin. And then</p>	<p>1 ALEX SHNAIDER</p> <p>2 earn. That is what I understood.</p> <p>3 Q. Okay.</p> <p>4 A. He came to me and said I</p> <p>5 don't have the funding right now. I</p> <p>6 don't have the liquidity and I</p> <p>7 desperately need to return this money</p> <p>8 to this gentleman. And I said look, I</p> <p>9 don't really want, you know, there is a</p> <p>10 financial crises going on.</p> <p>11 I have much better things to do</p> <p>12 with the money. I also don't have</p> <p>13 unlimited liquidity and I much rather</p> <p>14 not provide this loan and he really</p> <p>15 insisted. And he was really</p> <p>16 desperately needed the money and I</p> <p>17 agreed to provide him the money. And</p> <p>18 he said, look you could take the</p> <p>19 deposits that I have. You could take</p> <p>20 those positions over. You could</p> <p>21 negotiate a settlement with Bombardier</p> <p>22 and you could get this money back from</p> <p>23 the deposits from Bombardier somehow.</p> <p>24 And I said I don't know if I will be</p> <p>25 able to do this. Why would Bombardier</p>
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<p>1 ALEX SHNAIDER</p> <p>2 the rest was done by Rob Lee and the</p> <p>3 lawyers.</p> <p>4 Q. So explain to me what your</p> <p>5 understanding was of how the promissory</p> <p>6 note and the sale of the collateral was</p> <p>7 going to work?</p> <p>8 MS. DYER: Objection to</p> <p>9 the form.</p> <p>10 A. Well, look I lent to</p> <p>11 Mr. Slinin the funds just before</p> <p>12 Christmas 2008 as a huge favor to him</p> <p>13 because he desperately needed this</p> <p>14 money in order to return it to his</p> <p>15 customer because he took some, as I</p> <p>16 understand it some, made some promises</p> <p>17 to this customer that he was not able</p> <p>18 to fulfill.</p> <p>19 Q. Do you know what those</p> <p>20 promises were?</p> <p>21 A. That the prices of the</p> <p>22 planes will go up. That this person</p> <p>23 will make together with Mr. Slinin</p> <p>24 money by reselling these positions at a</p> <p>25 later date for profit that they will</p>	<p>1 ALEX SHNAIDER</p> <p>2 give it to me. They may even ask me</p> <p>3 for more money in order to settle the</p> <p>4 liquidated damages on the contracts.</p> <p>5 But in the end I said I need</p> <p>6 also from you just in case it does not</p> <p>7 work out, I need from you like a</p> <p>8 promissory note. I want you should be</p> <p>9 responsible to pay me back this \$4</p> <p>10 million. He said I'll give you</p> <p>11 whatever, whatever guarantees you need,</p> <p>12 I will provide them to you. So I said</p> <p>13 fine, if you could give me, please, you</p> <p>14 know, personal guarantees. He said no</p> <p>15 problem. I said we also need your wife</p> <p>16 to sign. He said I cannot get my wife</p> <p>17 to sign. He said she will refuse. She</p> <p>18 will divorce me.</p> <p>19 Then I asked for a corporate</p> <p>20 guarantee from his limo company. He</p> <p>21 said I own a minority percentage in the</p> <p>22 limo company. My brother owns the</p> <p>23 majority. So I cannot give that</p> <p>24 either. He said please, I'll give you</p> <p>25 my personal guarantee, please provide</p>

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<p style="text-align: right;">Page 158</p> <p>1 ALEX SHNAIDER</p> <p>2 me this loan. And I have done it. I</p> <p>3 provided him the loan just prior to, I</p> <p>4 believe it was Christmas 2008. And</p> <p>5 that is it, that is how it took place.</p> <p>6 Q. But you also asked for</p> <p>7 collateral, correct, in addition to his</p> <p>8 personal guarantee?</p> <p>9 A. Didn't I tell you the</p> <p>10 collateral, the three positions --</p> <p>11 Q. Yes, earlier --</p> <p>12 A. But this is collateral</p> <p>13 without negotiating a settlement with</p> <p>14 Bombardier is actually worthless. If I</p> <p>15 didn't go and negotiate a settlement</p> <p>16 with Bombardier, then today Mr. Slinin</p> <p>17 would be owing me \$4 million plus</p> <p>18 interest with his personal guarantee.</p> <p>19 So if I was not successful in</p> <p>20 negotiating and cashing this collateral</p> <p>21 which at the time was a liability, not</p> <p>22 a collateral. I turned it into an</p> <p>23 asset because of my capabilities.</p> <p>24 MS. DYER: Please let Mr.</p> <p>25 Shnaider finish.</p>	<p style="text-align: right;">Page 160</p> <p>1 ALEX SHNAIDER</p> <p>2 turned it into collateral.</p> <p>3 Q. I understand that but let me</p> <p>4 ask you this, the contract that</p> <p>5 Mr. Slinin had for the Learjet was a</p> <p>6 personal contract between a company</p> <p>7 that he controlled and Bombardier or</p> <p>8 Lear, correct, directly?</p> <p>9 It had no involvement with you</p> <p>10 or Midland Resources?</p> <p>11 A. It had absolutely no</p> <p>12 involvement with me or with Midland</p> <p>13 Resources. But he was in default of</p> <p>14 this contract. He would have -- he in</p> <p>15 fact lost this, his \$1 million deposit</p> <p>16 at the time.</p> <p>17 Q. So effectively your</p> <p>18 testimony is you took collateral that</p> <p>19 was worthless?</p> <p>20 A. Exactly.</p> <p>21 Q. And in the end got a credit</p> <p>22 of \$1 million towards your own plane;</p> <p>23 correct?</p> <p>24 A. It wasn't -- no, it is not</p> <p>25 correct.</p>
<p style="text-align: right;">Page 159</p> <p>1 ALEX SHNAIDER</p> <p>2 A. Because of my relationship</p> <p>3 with Bombardier and my capabilities</p> <p>4 with Bombardier, it took me months. It</p> <p>5 was not like I did it the following</p> <p>6 day. It took me months and months of</p> <p>7 lobbying, negotiation, trips to</p> <p>8 Montreal, begging and everything else</p> <p>9 in order to be able to take this money.</p> <p>10 Q. In addition to the contract</p> <p>11 for the plan under contract 169,</p> <p>12 Mr. Slinin's Learjet position was also</p> <p>13 pledged; correct?</p> <p>14 A. That is correct.</p> <p>15 Q. Is there a particular reason</p> <p>16 why you asked for his Learjet?</p> <p>17 MS. DYER: Objection to</p> <p>18 the form.</p> <p>19 A. First of all, he offered me</p> <p>20 his Learjet also as collateral. So I</p> <p>21 took it, I took whatever collateral at</p> <p>22 that time that I could get from</p> <p>23 Mr. Slinin because this is not really</p> <p>24 collateral. This is like I said, it is</p> <p>25 a liability. It is not collateral. I</p>	<p style="text-align: right;">Page 161</p> <p>1 ALEX SHNAIDER</p> <p>2 Q. Let me ask you this, did you</p> <p>3 have a contract between Midland and</p> <p>4 Lear for the purchase of an XR 60, I</p> <p>5 believe it is called?</p> <p>6 A. Yes. So my agreement I</p> <p>7 could tell you with Mr. Slinin was, I</p> <p>8 told him look, I don't recall what was</p> <p>9 the original price that Mr. Slinin and</p> <p>10 mine because I also had a mirror</p> <p>11 contract with Mr. Slinin that I</p> <p>12 negotiated with Lear, with Bombardier</p> <p>13 for two Lear 60s. One that Mr. Slinin</p> <p>14 bought and one that Midland purchased.</p> <p>15 Q. Right.</p> <p>16 A. So it was at the higher</p> <p>17 price. I don't remember what was the</p> <p>18 price. I was able to renegotiate the</p> <p>19 price down to \$10,750,000. But</p> <p>20 originally I don't remember what the</p> <p>21 price but it was higher than that</p> <p>22 price. Correct, maybe you could help</p> <p>23 me because I don't remember.</p> <p>24 Q. That was really not the</p> <p>25 point of my question.</p>